

By: Halley, Parker, Rattiff, Barrientos

S₉J.R. No. 42

SENATE JOINT RESOLUTION

proposing a constitutional amendment to partially exempt residence
homesteads from ad valorem taxation by county education districts.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article VIII, Section 1-b, of the Texas Constitution is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) The governing body of a political subdivision, other than a county education district, may exempt from ad valorem taxation a percentage of the market value of the residence homestead of a married or unmarried adult, including one living alone. The percentage may not exceed forty percent (40%) for the years 1982 through 1984, thirty percent (30%) for the years 1985 through 1987, and twenty percent (20%) in 1988 and each subsequent year. However, the amount of an exemption authorized pursuant to this subsection may not be less than Five Thousand Dollars (\$5,000) unless the legislature by general law prescribes other monetary restrictions on the amount of the exemption. An eligible adult is entitled to receive other applicable exemptions provided by law. Where ad valorem tax has previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect the tax against the value of the homesteads exempted under this subsection until the debt is discharged if the cessation of the levy would impair the obligation of the contract by which the debt was created. The legislature by general law may

72R6586/JD-D

Replaced by
JD-D conference report

1

4-11-91
4-17-91

1 prescribe procedures for the administration of residence homestead
2 exemptions.

3 (f) Twenty percent (20%) of the market value of a residence
4 homestead is exempt from ad valorem taxation by a county education
5 district. However, the amount of an exemption under this
6 subsection may not be less than Five Thousand Dollars (\$5,000)
7 unless the legislature by general law prescribed other monetary
8 restrictions on the amount of the exemption. An owner of a
9 residence homestead is entitled to receive other applicable
10 exemptions provided by law. The legislature by general law may
11 prescribe procedures for the administration of the residence
12 homestead exemption provided by this subsection.

13 SECTION 2. This proposed constitutional amendment shall be
14 submitted to the voters at an election to be held on November 5,
15 1991. The ballot shall be printed to provide for voting for or
16 against the proposition: "The constitutional amendment relating to
17 a partial exemption of residence homesteads from ad valorem
18 taxation by county education districts."

1 By: Green, et al. S.J.R. No. 42
2 (In the Senate - Filed March 25, 1991; April 2, 1991, read
3 first time and referred to Committee on Finance; April 11, 1991,
4 reported favorably by the following vote: Yeas 9, Nays 0;
5 April 11, 1991, sent to printer.)

6 COMMITTEE VOTE

	Yea	Nay	PNV	Absent
7 Montford	x			
8 Barrientos	x			
9 Armbrister				x
10 Bivins	x			
11 Brooks	x			
12 Haley				x
13 Johnson	x			
14 Parker				x
15 Ratliff	x			
16 Sims				x
17 Tejeda	x			
18 Truan	x			
19 Turner	x			

21 SENATE JOINT RESOLUTION

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29 than a county education district, may exempt from ad valorem
30 taxation a percentage of the market value of the residence
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32 alone. The percentage may not exceed forty percent (40%) for the
33 years 1982 through 1984, thirty percent (30%) for the years 1985
34 through 1987, and twenty percent (20%) in 1988 and each subsequent
35 year. However, the amount of an exemption authorized pursuant to
36 this subsection may not be less than Five Thousand Dollars (\$5,000)
37 unless the legislature by general law prescribes other monetary
38 restrictions on the amount of the exemption. An eligible adult is
39 entitled to receive other applicable exemptions provided by law.
40 Where ad valorem tax has previously been pledged for the payment of
41 debt, the governing body of a political subdivision may continue to
42 levy and collect the tax against the value of the homesteads
43 exempted under this subsection until the debt is discharged if the
44 cessation of the levy would impair the obligation of the contract
45 by which the debt was created. The legislature by general law may
46 prescribe procedures for the administration of residence homestead
47 exemptions.

48 (f) Twenty percent (20%) of the market value of a residence
49 homestead is exempt from ad valorem taxation by a county education
50 district. However, the amount of an exemption under this
51 subsection may not be less than Five Thousand Dollars (\$5,000)
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53 restrictions on the amount of the exemption. An owner of a
54 residence homestead is entitled to receive other applicable
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61 against the proposition: "The constitutional amendment relating to
62 a partial exemption of residence homesteads from ad valorem
63 taxation by county education districts."

* * * * *

Austin, Texas
April 11, 1991

Hon. Bob Bullock
President of the Senate

Sir:

We, your Committee on Finance to which was referred S.J.R. No. 42, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

Montford, Chairman

**FAVORABLE
SENATE COMMITTEE REPORT ON**

SB SCR (SJR) SR HB HCR HJR 42
By Green
(Author/Senate Sponsor)
4-11-91
(date of submission to Senate)

Lt. Governor Bob Bullock
President of the Senate

Sir:

We, your Committee on Finance, to which was referred the attached measure,
have on 4-11-91, had the same under consideration and I am instructed to report it
(date of hearing)
back with the recommendation (s) that it:

☒ do pass and be printed

☐ do pass and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Montford, Chairman	<input checked="" type="checkbox"/>			
Barrientos, Vice-Chairman	<input checked="" type="checkbox"/>			
Armbrister			<input checked="" type="checkbox"/>	
Bivins	<input checked="" type="checkbox"/>			
Brooks	<input checked="" type="checkbox"/>			
Haley			<input checked="" type="checkbox"/>	
Johnson	<input checked="" type="checkbox"/>			
Parker			<input checked="" type="checkbox"/>	
Ratliff	<input checked="" type="checkbox"/>			
Sims			<input checked="" type="checkbox"/>	
Tejeda	<input checked="" type="checkbox"/>			
Truan	<input checked="" type="checkbox"/>			
Turner	<input checked="" type="checkbox"/>			
TOTAL VOTES	9	0	4	0

COMMITTEE ACTION

(S266) Considered in public hearing
(S270) Testimony taken

COMMITTEE CLERK

Montford
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill
Deliver one copy of this form to the Calendar Clerk, Room 218 Capitol
Deliver one copy of this form to the Legislative Reference Library, Room 207B Capitol
Retain one copy of this form for Committee files

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

April 11, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 42
By: Green, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 42 (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would provide an ad valorem tax exemption of 20 percent on residence homesteads for taxes levied by a county education district. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP).

The Texas Constitution currently allows all political subdivisions to grant a homestead exemption not to exceed 20 percent and no lower than \$5,000. The proposed amendment would require county education districts to provide a 20 percent exemption.

The increase in required homestead exemptions would have the effect of reducing local revenue collected for the county education districts and increasing state aid under tier one of the FSP. These fiscal implications cannot be accurately determined at this time.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, JOB, LC

April 17 1991 Engrossed
Lacey Spaw
Engrossing Clerk

MAY -2 AM 9:42

I certify that the attached is a true and correct
copy of SSR 42, which was
received from the Senate on 4-29-91, and
referred to the Committee on Public Education
Re
Becky Mendenhall
Chief Clerk of the House

By: Green, et al.

S.J.R. No. 42

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment to partially exempt residence
2 homesteads from ad valorem taxation by county education districts.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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5 Constitution is amended by amending Subsection (e) and adding
6 Subsection (f) to read as follows:

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8 than a county education district, may exempt from ad valorem
9 taxation a percentage of the market value of the residence
10 homestead of a married or unmarried adult, including one living
11 alone. The percentage may not exceed forty percent (40%) for the
12 years 1982 through 1984, thirty percent (30%) for the years 1985
13 through 1987, and twenty percent (20%) in 1988 and each subsequent
14 year. However, the amount of an exemption authorized pursuant to
15 this subsection may not be less than Five Thousand Dollars (\$5,000)
16 unless the legislature by general law prescribes other monetary
17 restrictions on the amount of the exemption. An eligible adult is
18 entitled to receive other applicable exemptions provided by law.
19 Where ad valorem tax has previously been pledged for the payment of
20 debt, the governing body of a political subdivision may continue to
21 levy and collect the tax against the value of the homesteads
22 exempted under this subsection until the debt is discharged if the
23 cessation of the levy would impair the obligation of the contract
24 by which the debt was created. The legislature by general law may

1 prescribe procedures for the administration of residence homestead
2 exemptions.

3 (f) Twenty percent (20%) of the market value of a residence
4 homestead is exempt from ad valorem taxation by a county education
5 district. However, the amount of an exemption under this
6 subsection may not be less than Five Thousand Dollars (\$5,000)
7 unless the legislature by general law prescribed other monetary
8 restrictions on the amount of the exemption. An owner of a
9 residence homestead is entitled to receive other applicable
10 exemptions provided by law. The legislature by general law may
11 prescribe procedures for the administration of the residence
12 homestead exemption provided by this subsection.

13 SECTION 2. This proposed constitutional amendment shall be
14 submitted to the voters at an election to be held on November 5,
15 1991. The ballot shall be printed to provide for voting for or
16 against the proposition: "The constitutional amendment relating to
17 a partial exemption of residence homesteads from ad valorem
18 taxation by county education districts."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

April 11, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 42
By: Green, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 42 (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would provide an ad valorem tax exemption of 20 percent on residence homesteads for taxes levied by a county education district. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP).

The Texas Constitution currently allows all political subdivisions to grant a homestead exemption not to exceed 20 percent and no lower than \$5,000. The proposed amendment would require county education districts to provide a 20 percent exemption.

The increase in required homestead exemptions would have the effect of reducing local revenue collected for the county education districts and increasing state aid under tier one of the FSP. These fiscal implications cannot be accurately determined at this time.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, JOB, LC

HOUSE COMMITTEE REPORT

91 MAY -9 PM 5:36

HOUSE OF REPRESENTATIVES

1st Printing

By Green, et al.
(Colbert)

S.J.R. No. 42

Substitute the following for S.J.R. No. 42:

By 

C.S.S.J.R. No. 42

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment authorizing a county education
2 district by election to adopt certain residence homestead
3 exemptions and to provide for the taxation of certain tangible
4 personal property.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article VIII, Section 1-b(e), of the Texas
7 Constitution is amended to read as follows:

8 (e) The governing body of a political subdivision, other
9 than a county education district, may exempt from ad valorem
10 taxation a percentage of the market value of the residence
11 homestead of a married or unmarried adult, including one living
12 alone. In the manner provided by law, the voters of a county
13 education district at an election held for that purpose may exempt
14 from ad valorem taxation a percentage of the market value of the
15 residence homestead of a married or unmarried adult, including one
16 living alone. The percentage may not exceed [~~forty-percent-(40%)~~
17 ~~for-the-years-1982-through-1984,-thirty-percent-(30%)-for-the-years~~
18 ~~1985-through-1987,-and]~~ twenty percent [~~(20%)--in--1988--and--each~~
19 ~~subsequent--year]~~. However, the amount of an exemption authorized
20 pursuant to this subsection may not be less than Five Thousand
21 Dollars (\$5,000) unless the legislature by general law prescribes
22 other monetary restrictions on the amount of the exemption. An
23 eligible adult is entitled to receive other applicable exemptions
24 provided by law. Where ad valorem tax has previously been pledged

1 for the payment of debt, the governing body of a political
2 subdivision may continue to levy and collect the tax against the
3 value of the homesteads exempted under this subsection until the
4 debt is discharged if the cessation of the levy would impair the
5 obligation of the contract by which the debt was created. The
6 legislature by general law may prescribe procedures for the
7 administration of residence homestead exemptions.

8 SECTION 2. Article VIII, Section 1-b(b), of the Texas
9 Constitution is amended to read as follows:

10 (b) The [~~From-and-after-January-1, 1973, the~~] governing body
11 of any county, city, town, school district, or other political
12 subdivision of the State, other than a county education district,
13 may exempt by its own action not less than Three Thousand Dollars
14 (\$3,000) of the market value of residence homesteads of persons,
15 married or unmarried, including those living alone, who are under a
16 disability for purposes of payment of disability insurance benefits
17 under Federal Old-Age, Survivors, and Disability Insurance or its
18 successor or of married or unmarried persons sixty-five (65) years
19 of age or older, including those living alone, from all ad valorem
20 taxes thereafter levied by the political subdivision. As an
21 alternative, upon receipt of a petition signed by twenty percent
22 (20%) of the voters who voted in the last preceding election held
23 by the political subdivision, the governing body of the subdivision
24 shall call an election to determine by majority vote whether an
25 amount not less than Three Thousand Dollars (\$3,000) as provided in
26 the petition, of the market value of residence homesteads of
27 disabled persons or of persons sixty-five (65) years of age or over

1 shall be exempt from ad valorem taxes thereafter levied by the
2 political subdivision. In the manner provided by law, the voters
3 of a county education district at an election held for that purpose
4 may exempt an amount not less than Three Thousand Dollars (\$3,000),
5 as provided in the petition, of the market value of residence
6 homesteads of disabled persons or of persons sixty-five (65) years
7 of age or over from ad valorem taxes thereafter levied by the
8 county education district. An eligible disabled person who is
9 sixty-five (65) years of age or older may not receive both
10 exemptions from the same political subdivision in the same year but
11 may choose either if the subdivision has adopted both. Where any
12 ad valorem tax has theretofore been pledged for the payment of any
13 debt, the taxing officers of the political subdivision shall have
14 authority to continue to levy and collect the tax against the
15 homestead property at the same rate as the tax so pledged until the
16 debt is discharged, if the cessation of the levy would impair the
17 obligation of the contract by which the debt was created. An
18 exemption adopted under this subsection based on assessed value is
19 increased, effective January 1, 1979, to an amount that, when
20 converted to market value, provides the same reduction in taxes,
21 except that the market value exemption shall be rounded to the
22 nearest \$100.

23 SECTION 3. Article VIII, Section 1(e), of the Texas
24 Constitution is amended to read as follows:

25 (e) The governing body of a political subdivision, other
26 than a county education district, may provide for the taxation of
27 all property exempt under a law adopted under Subdivision (2) of

1 Subsection (d) of this section and not exempt from ad valorem
2 taxation by any other law. In the manner provided by law, the
3 voters of a county education district at an election held for that
4 purpose may provide for the taxation of all property exempt under a
5 law adopted under Subdivision (2) of Subsection (d) of this section
6 and not exempt from ad valorem taxation by any other law.

7 SECTION 4. This proposed constitutional amendment shall be
8 submitted to the voters at an election to be held August 10, 1991.
9 The ballot shall be printed to provide for voting for or against
10 the proposition: "The constitutional amendment to allow the voters
11 of a county education district to adopt certain exemptions from the
12 district's ad valorem taxation for residence homesteads and to
13 provide for the taxation of certain tangible personal property."

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

5-7-91
(date)

Sir:

We, your COMMITTEE ON PUBLIC EDUCATION,

to whom was referred SJR 42 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

() do pass, without amendment.

() do pass, with amendment(s).

(x) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (x) yes () no An author's fiscal statement was requested. () yes (x) no

A criminal justice policy impact statement was requested. () yes (x) no

An equalized educational funding impact statement was requested. (x) yes () no

An actuarial analysis was requested. () yes (x) no

A water development policy impact statement was requested. () yes (x) no

A federal funds impact statement was requested. () yes (x) no

() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

This measure () proposes new law. (x) amends existing law.

House Sponsor of Senate Measure Colbert

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Glossbrenner, Ch.	✓			
Luna, V.C.	✓			
Colbert, C.B.O.	✓			
Arnold	✓			
Berlanga	✓			
Blair	✓			
Fraser				✓
Grusendorf				✓
Schoolcraft				✓

Total
6 aye
0 nay
0 present, not voting
3 absent

Ernest V. G. C.
CHAIRMAN
Deborah K. McCale
COMMITTEE COORDINATOR

Resolution Analysis

S.J.R. 42
By: Green, et al. (Colbert)

Committee on
Public Education

C.S.S.J.R. 42
By: Berlanga

BACKGROUND:

S.B. 351 created new County Education Districts. Without a constitutional amendment, the board of each County Education District could exempt any percentage up to 20 percent of market value for residential homesteads. Limiting the discretionary authority of the new County Education District boards should minimize any possible Federal Voting Rights Act problems.

PURPOSE:

C.S.S.J.R. 42 would allow voters within a County Education District to grant themselves a 20 percent residential homestead exemption "in the manner provided by law."

RULEMAKING AUTHORITY:

It is the opinion of the committee that this resolution does not delegate any broad or specific rulemaking authority to any state officer, department, agency or institution.

SYNOPSIS:

This resolution amends Article VIII, Section 1-b(b), (e) and 1(e) of the Texas Constitution.

SECTION 1:

Section 1-b(e) of Article VIII of the Constitution is amended, prohibiting the board of a County Education District from granting a residential homestead ad valorem taxation exemption, giving that authority instead to the voters of the County Education District. The maximum percentage allowed to be exempted is 20 percent. The resolution leaves to statute the actual mechanism by which the voters grant themselves this exemption.

SECTION 2:

Section 1-b(b) of Article VIII of the Constitution is amended, prohibiting the board of a County Education District from granting a disabled persons or persons over sixty-five years of age or over ad valorem taxation exemption, giving that authority instead to the voters of the County Education District. The resolution leaves to statute the actual mechanism by which the voters grant themselves this exemption.

SECTION 3:

Amends section 1(e) of Article VIII of the Constitution, is amended, prohibiting the board of a County Education District from providing for the taxation of property exempt under Subdivision (2) of Subsection (d) of § 1 of Article VIII and not exempt from ad valorem taxation by any other law. As in SECTIONS 1 and 2 of the resolution, the power removed from the board of the County Education district is given to the voters.

COMPARISON OF ORIGINAL TO SUBSTITUTE:

The original, filed version of S.J.R. 42 removed the authority of the board of a County Education District to grant homestead exemptions and granted a flat 20 percent residential homestead exemption. The substitute amends Article VIII of the Constitution so that the boards of the County Education Districts have no discretionary taxing authority or power to grant exemptions. This authority is given to the voters with the mechanism for the exercise of this power to be spelled out in law.

SUMMARY OF COMMITTEE ACTION:

On May 7, 1991, SJR 42 was considered in a public hearing. At that meeting, the Chair laid out SJR 42. The Chair laid out a complete committee substitute to SJR 42 offered by Representative Berlanga. Representative Berlanga moved that the committee substitute be adopted. There being no objection, the committee substitute was adopted. Representative Berlanga moved that SJR 42 as substituted be reported favorably to the full House with the recommendation that it do pass and be printed. The motion prevailed by the following vote: 6 Ayes, 0 Nays, 0 PNV and 3 Absent.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 8, 1991

**TO: Honorable Ernestine Glossbrenner,
Chair
Committee on Public Education
House of Representatives
Austin, Texas**

**IN RE: House Committee Substitute for
Senate Joint Resolution No. 42,**

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Committee Substitute for Senate Joint Resolution No. 42 (proposing a constitutional amendment authorizing a county education district by election to adopt certain residence homestead exemptions and to provide for the taxation of certain tangible personal property) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would allow the voters of a county education district to grant additional ad valorem tax exemptions for homesteads -- including those owned by disabled and elderly persons -- and to tax certain tangible personal property. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP). The proposed amendment would be placed before the voters on August 10, 1991.

The resolution's provisions, as implemented by Senate Bill 351 and other enabling legislation, could have an impact on local tax revenue collectors depending on the outcome of local elections. These fiscal implications cannot be determined.

The cost of publication of the resolution to the State is \$60,000. No other cost to the State is anticipated.

Source: LBB Staff: JO, JWH, DF, JOB, PA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

May 7, 1991

TO: Honorable Ernestine Glossbrenner,
Chair
Committee on Public Education
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No. 42,
as engrossed
By: Green, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 42, as engrossed (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would provide an ad valorem tax exemption of 20 percent on residence homesteads for taxes levied by a county education district. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP).

The Texas Constitution currently allows all political subdivisions to grant a homestead exemption not to exceed 20 percent and no lower than \$5,000. The proposed amendment would require county education districts to provide a 20 percent exemption.

The increase in required homestead exemptions would have the effect of reducing local revenue collected for the county education districts and increasing state aid under tier one of the FSP. These fiscal implications cannot be accurately determined at this time.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, JOB, LC

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 11, 1991

**TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas**

**IN RE: Senate Joint Resolution No. 42
By: Green, et al.**

FROM: Jim Oliver, Director

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The increase in required homestead exemptions would have the effect of reducing local revenue collected for the county education districts and increasing state aid under tier one of the FSP. These fiscal implications cannot be accurately determined at this time.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, JOB, LC

LEGISLATIVE BUDGET BOARD

EQUALIZED EDUCATION FUNDING IMPACT STATEMENT

May 8, 1991

**To: Honorable Ernestine Glossbrenner, Chair
Committee on Public Education**

**In Re: House Committee Substitute for
Senate Joint Resolution No. 42**

From: Jim Oliver, Director

In response to your request for an Equalized Education Funding Impact Statement on House Committee Substitute for Senate Joint Resolution No. 42 (proposing a constitutional amendment authorizing a county education district by election to adopt certain residence homestead exemptions and to provide for the taxation of certain tangible personal property), this office has determined the following:

The impact of this resolution on equalized funding requirements and policies affecting public education cannot be ascertained.

LEGISLATIVE BUDGET BOARD

EQUALIZED EDUCATION FUNDING IMPACT STATEMENT

May 7, 1991

To: Honorable Ernestine Glossbrenner, Chair
Committee on Public Education

In Re: Senate Joint Resolution No. 42
By: Green, et al

From: Jim Oliver, Director

In response to your request for an Equalized Education Funding Impact Statement on Senate Joint Resolution No. 42 (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts), this office has determined the following:

The impact of this resolution on equalized funding requirements and policies affecting public education cannot be ascertained.

ADOPTED

as amended

MAY 23 1991

Betty Messing
Chief Clerk
House of Representatives

By Green, et al.

S.J.R. No. 42

Substitute the following for S.J.R. No. 42:

By *Betty Messing*

C.S.S.J.R. No. 42

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment authorizing a county education
2 district by election to adopt certain residence homestead
3 exemptions and to provide for the taxation of certain tangible
4 personal property.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article VIII, Section 1-b(e), of the Texas
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9 than a county education district, may exempt from ad valorem
10 taxation a percentage of the market value of the residence
11 homestead of a married or unmarried adult, including one living
12 alone. In the manner provided by law, the voters of a county
13 education district at an election held for that purpose may exempt
14 from ad valorem taxation a percentage of the market value of the
15 residence homestead of a married or unmarried adult, including one
16 living alone. The percentage may not exceed [~~forty-percent-(40%)~~
17 ~~for-the-years-1982-through-1984, thirty-percent-(30%) for-the-years~~
18 ~~1985-through-1987, and~~] twenty percent [~~(20%)--in--1988--and--each~~
19 ~~subsequent--year~~]. However, the amount of an exemption authorized
20 pursuant to this subsection may not be less than Five Thousand
21 Dollars (\$5,000) unless the legislature by general law prescribes
22 other monetary restrictions on the amount of the exemption. An
23 eligible adult is entitled to receive other applicable exemptions
24 provided by law. Where ad valorem tax has previously been pledged

1 for the payment of debt, the governing body of a political
2 subdivision may continue to levy and collect the tax against the
3 value of the homesteads exempted under this subsection until the
4 debt is discharged if the cessation of the levy would impair the
5 obligation of the contract by which the debt was created. The
6 legislature by general law may prescribe procedures for the
7 administration of residence homestead exemptions.

8 SECTION 2. Article VIII, Section 1-b(b), of the Texas
9 Constitution is amended to read as follows:

10 (b) The [~~From-and-after-January-17-1973,-the~~] governing body
11 of any county, city, town, school district, or other political
12 subdivision of the State, other than a county education district,
13 may exempt by its own action not less than Three Thousand Dollars
14 (\$3,000) of the market value of residence homesteads of persons,
15 married or unmarried, including those living alone, who are under a
16 disability for purposes of payment of disability insurance benefits
17 under Federal Old-Age, Survivors, and Disability Insurance or its
18 successor or of married or unmarried persons sixty-five (65) years
19 of age or older, including those living alone, from all ad valorem
20 taxes thereafter levied by the political subdivision. As an
21 alternative, upon receipt of a petition signed by twenty percent
22 (20%) of the voters who voted in the last preceding election held
23 by the political subdivision, the governing body of the subdivision
24 shall call an election to determine by majority vote whether an
25 amount not less than Three Thousand Dollars (\$3,000) as provided in
26 the petition, of the market value of residence homesteads of
27 disabled persons or of persons sixty-five (65) years of age or over

1 shall be exempt from ad valorem taxes thereafter levied by the
2 political subdivision. In the manner provided by law, the voters
3 of a county education district at an election held for that purpose
4 may exempt an amount not less than Three Thousand Dollars (\$3,000),
5 as provided in the petition, of the market value of residence
6 homesteads of disabled persons or of persons sixty-five (65) years
7 of age or over from ad valorem taxes thereafter levied by the
8 county education district. An eligible disabled person who is
9 sixty-five (65) years of age or older may not receive both
10 exemptions from the same political subdivision in the same year but
11 may choose either if the subdivision has adopted both. Where any
12 ad valorem tax has theretofore been pledged for the payment of any
13 debt, the taxing officers of the political subdivision shall have
14 authority to continue to levy and collect the tax against the
15 homestead property at the same rate as the tax so pledged until the
16 debt is discharged, if the cessation of the levy would impair the
17 obligation of the contract by which the debt was created. An
18 exemption adopted under this subsection based on assessed value is
19 increased, effective January 1, 1979, to an amount that, when
20 converted to market value, provides the same reduction in taxes,
21 except that the market value exemption shall be rounded to the
22 nearest \$100.

23 SECTION 3. Article VIII, Section 1(e), of the Texas
24 Constitution is amended to read as follows:

25 (e) The governing body of a political subdivision, other
26 than a county education district, may provide for the taxation of
27 all property exempt under a law adopted under Subdivision (2) of

1 Subsection (d) of this section and not exempt from ad valorem
2 taxation by any other law. In the manner provided by law, the
3 voters of a county education district at an election held for that
4 purpose may provide for the taxation of all property exempt under a
5 law adopted under Subdivision (2) of Subsection (d) of this section
6 and not exempt from ad valorem taxation by any other law.

7 SECTION 4. This proposed constitutional amendment shall be
8 submitted to the voters at an election to be held August 10, 1991.
9 The ballot shall be printed to provide for voting for or against
10 the proposition: "The constitutional amendment to allow the voters
11 of a county education district to adopt certain exemptions from the
12 district's ad valorem taxation for residence homesteads and to
13 provide for the taxation of certain tangible personal property."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

April 11, 1991

TO: Honorable John Montford, Chairman IN RE: Senate Joint Resolution No. 42
Committee on Finance By: Green, et al.
Senate Chamber
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 42 (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would provide an ad valorem tax exemption of 20 percent on residence homesteads for taxes levied by a county education district. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP).

The Texas Constitution currently allows all political subdivisions to grant a homestead exemption not to exceed 20 percent and no lower than \$5,000. The proposed amendment would require county education districts to provide a 20 percent exemption.

The increase in required homestead exemptions would have the effect of reducing local revenue collected for the county education districts and increasing state aid under tier one of the FSP. These fiscal implications cannot be accurately determined at this time.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, JOB, LC

AMENDMENT NO.

①

BY

Schoolecraft

Amend S.J.R. No. 42 by adding a new Section 4 to read as follows and renumbering subsequent sections of the resolution appropriately:

SECTION 4. Article VIII, of the Texas Constitution is amended by adding Section 1-b-1 to read as follows:

Sec. 1-b-1. The references to a county education district in Sections 1 and 1-b of this article do not validate county education districts.

ADOPTED

MAY 23 1991

Betty Murray
Chief Clerk
House of Representatives

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 26, 1991

Date

Honorable Bob Bullock
President of the Senate

Honorable Gibson D. "Gib" Lewis
Speaker of the House of Representatives

Sir:

ADOPTED

31 years & more
MAY 27 1991

Gene Green
Secretary of the Senate

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S.J.R. 42 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Gene Green
Chair, Gene Green

John Whitmire
Senator John Whitmire

Zaffirini
Senator Judith Zaffirini

Haley
Senator Bill Haley

Carl A. Parker
On the part of the Senate
Senator Carl Parker

Paul Colbert
Chair, Paul Colbert

Fred Blair
Representative Fred Blair

Ernestine Glossbrenner
Representative Glossbrenner

Gregory Luna
Representative Gregory Luna

Grusendorf
On the part of the House
Representative Grusendorf

Note to Conference Committee Clerk:

Please type the name of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. Three copies are then filed in the Senate and three copies filed in the House of Representatives.

MAY 27 1991 *filed 4:30P*

Conference Committee Report on

S.J.R. 42

S.J.R. No. 42

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment authorizing a county education
2 district by election to adopt certain residence homestead
3 exemptions and to provide for the taxation of certain tangible
4 personal property.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article VIII, Section 1-b(e), of the Texas
7 Constitution is amended to read as follows:

8 (e) The governing body of a political subdivision, other
9 than a county education district, may exempt from ad valorem
10 taxation a percentage of the market value of the residence
11 homestead of a married or unmarried adult, including one living
12 alone. In the manner provided by law, the voters of a county
13 education district at an election held for that purpose may exempt
14 from ad valorem taxation a percentage of the market value of the
15 residence homestead of a married or unmarried adult, including one
16 living alone. The percentage may not exceed [~~forty-percent-(40%)~~
17 ~~for-the-years-1982-through-1984, thirty-percent-(30%) for-the-years~~
18 ~~1985-through-1987, and~~] twenty percent [(20%)--in--1988--and--each
19 subsequent--year]. However, the amount of an exemption authorized
20 pursuant to this subsection may not be less than Five Thousand
21 Dollars (\$5,000) unless the legislature by general law prescribes
22 other monetary restrictions on the amount of the exemption. An
23 eligible adult is entitled to receive other applicable exemptions
24 provided by law. Where ad valorem tax has previously been pledged

Conference Report
3-27-91

1 for the payment of debt, the governing body of a political
2 subdivision may continue to levy and collect the tax against the
3 value of the homesteads exempted under this subsection until the
4 debt is discharged if the cessation of the levy would impair the
5 obligation of the contract by which the debt was created. The
6 legislature by general law may prescribe procedures for the
7 administration of residence homestead exemptions.

8 SECTION 2. Article VIII, Section 1-b(b), of the Texas
9 Constitution is amended to read as follows:

10 (b) The [~~From-and-after-January-17-1973,-the~~] governing body
11 of any county, city, town, school district, or other political
12 subdivision of the State, other than a county education district,
13 may exempt by its own action not less than Three Thousand Dollars
14 (\$3,000) of the market value of residence homesteads of persons,
15 married or unmarried, including those living alone, who are under a
16 disability for purposes of payment of disability insurance benefits
17 under Federal Old-Age, Survivors, and Disability Insurance or its
18 successor or of married or unmarried persons sixty-five (65) years
19 of age or older, including those living alone, from all ad valorem
20 taxes thereafter levied by the political subdivision. As an
21 alternative, upon receipt of a petition signed by twenty percent
22 (20%) of the voters who voted in the last preceding election held
23 by the political subdivision, the governing body of the subdivision
24 shall call an election to determine by majority vote whether an
25 amount not less than Three Thousand Dollars (\$3,000) as provided in ^{1/2}
26 the petition, of the market value of residence homesteads of
27 disabled persons or of persons sixty-five (65) years of age or over

1 shall be exempt from ad valorem taxes thereafter levied by the
2 political subdivision. In the manner provided by law, the voters
3 of a county education district at an election held for that purpose
4 may exempt an amount not less than Three Thousand Dollars (\$3,000),
5 as provided in the petition, of the market value of residence
6 homesteads of disabled persons or of persons sixty-five (65) years
7 of age or over from ad valorem taxes thereafter levied by the
8 county education district. An eligible disabled person who is
9 sixty-five (65) years of age or older may not receive both
10 exemptions from the same political subdivision in the same year but
11 may choose either if the subdivision has adopted both. Where any
12 ad valorem tax has theretofore been pledged for the payment of any
13 debt, the taxing officers of the political subdivision shall have
14 authority to continue to levy and collect the tax against the
15 homestead property at the same rate as the tax so pledged until the
16 debt is discharged, if the cessation of the levy would impair the
17 obligation of the contract by which the debt was created. An
18 exemption adopted under this subsection based on assessed value is
19 increased, effective January 1, 1979, to an amount that, when
20 converted to market value, provides the same reduction in taxes,
21 except that the market value exemption shall be rounded to the
22 nearest \$100.

23 SECTION 3. Article VIII, Section 1(e), of the Texas^{9/11}
24 Constitution is amended to read as follows:

25 (e) The governing body of a political subdivision, other
26 than a county education district, may provide for the taxation of
27 all property exempt under a law adopted under Subdivision (2) of

1 Subsection (d) of this section and not exempt from ad valorem
2 taxation by any other law. In the manner provided by law, the
3 voters of a county education district at an election held for that
4 purpose may provide for the taxation of all property exempt under a
5 law adopted under Subdivision (2) of Subsection (d) of this section
6 and not exempt from ad valorem taxation by any other law.

7 SECTION 4. Article VIII^d of the Texas Constitution is amended
8 by adding Section 1-b-1 to read as follows:

9 Sec. 1-b-1. The references to a county education district in
10 Sections 1 and 1-b of this article neither validate nor
11 invalidate county education districts.

12 SECTION 5. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held August 10, 1991.
14 The ballot shall be printed to provide for voting for or against
15 the proposition: "The constitutional amendment to allow the voters
16 of a county education district to adopt certain exemptions from the
17 district's ad valorem taxation for residence homesteads and to
18 provide for the taxation of certain tangible personal property."

CONFERENCE COMMITTEE REPORT
Side-By-Side

SENATE VERSION	HOUSE VERSION	CONFERENCE REPORT
<p>SECTION 1 Amends Article VIII, Section 1-b Texas Constitution as follows:</p> <p>(e) Specifically removes a county education district from the ad valorem tax exemption powers given the governing body of a political subdivision.</p> <p>(f) Requires the county education district to exempt from ad valorem taxation 20% of the market value of a residence homestead. Limits the exemption under this subsection to not less than \$5,000 unless the legislature prescribes other monetary restrictions on exemptions. A residence homestead owner may receive other exemptions by law. The legislature by law may set out administrative procedures for this subsection's provisions.</p>	<p>Section 1 (e) same with the addition of language allowing the voters of a county education district to hold an election for the purpose of exempting a percentage of the market value of a residence homestead.</p>	House Version
<p>SECTION 2 Sets the voter election date of November 5, 1991, and specifies ballot language.</p>	<p>SECTION 5 Sets the voter election date of August 10, 1991, and specifies ballot language.</p>	House version
<p>no similar provision</p>	<p>SECTION 2 Amends Article VIII, Section 1-b(b), Texas Constitution stating that a county education district may not exempt homesteads for disabled or persons over 65.</p> <p>Provides for an election of the voters to require homestead exemptions for the disabled and over 65.</p>	House version

CONFERENCE COMMITTEE REPORT
Side-By-Side

SENATE VERSION	HOUSE VERSION	CONFERENCE REPORT
no similar provision	<p>Section 3 amends Article VIII, Section 1(e), Texas Constitution as follows:</p> <p>(e) Specifically removes a county education district from the powers given the governing body of a political subdivision regarding the taxation of property exempt under Subdivision (2) of Subsection (d).</p> <p>Allows for an election of a county education district to provide for this exemption.</p>	<p>House version</p>
no similar provision	<p>SECTION 4 Amends Article VIII, Texas Constitution, by adding Sec 1-b-1 to provide that the references to a county education district in Sections 1 and 1-b do not validate county education districts,</p>	<p>SECTION 4 Amends Article VIII, Texas Constitution by adding Sec 1-b-1 to read: references to a county education district in Sections 1 and 1-b neither validate nor invalidate county education districts.</p>

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 27, 1991

Date

Honorable Bob Bullock
President of the Senate

Honorable Gibson D. "Gib" Lewis
Speaker of the House of Representatives

Sir:

ADOPTED

MAY 27 1991

Betty Murray
Chief Clerk
House of Representatives

by a
record
vote of

135 yeas 6 nays 1 pnv

91 MAY 27 PM 3:08

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on May 27, 1991 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Name, John Green

Name, Paul Johnson

Name, John Green

Name, Paul Johnson

Name, John Green

Name, Paul Johnson

Name, John Green

Name, Paul Johnson

On the part of the Senate

On the part of the House

Note to Conference Committee Clerk:

Please type the name of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. Three copies are then filed in the Senate and three copies filed in the House of Representatives.

SJR 42

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment authorizing a county education
2 district by election to adopt certain residence homestead
3 exemptions and to provide for the taxation of certain tangible
4 personal property.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article VIII, Section 1-b(e), of the Texas
7 Constitution is amended to read as follows:

8 (e) The governing body of a political subdivision, other
9 than a county education district, may exempt from ad valorem
10 taxation a percentage of the market value of the residence
11 homestead of a married or unmarried adult, including one living
12 alone. In the manner provided by law, the voters of a county
13 education district at an election held for that purpose may exempt
14 from ad valorem taxation a percentage of the market value of the
15 residence homestead of a married or unmarried adult, including one
16 living alone. The percentage may not exceed [~~forty-percent-(40%)~~
17 ~~for-the-years-1982-through-1984,-thirty-percent-(30%)-for-the-years~~
18 ~~1985-through-1987,-and~~] twenty percent [(20%)--in--1988--and--each
19 subsequent--year]. However, the amount of an exemption authorized
20 pursuant to this subsection may not be less than Five Thousand
21 Dollars (\$5,000) unless the legislature by general law prescribes
22 other monetary restrictions on the amount of the exemption. An
23 eligible adult is entitled to receive other applicable exemptions
24 provided by law. Where ad valorem tax has previously been pledged

1 for the payment of debt, the governing body of a political
2 subdivision may continue to levy and collect the tax against the
3 value of the homesteads exempted under this subsection until the
4 debt is discharged if the cessation of the levy would impair the
5 obligation of the contract by which the debt was created. The
6 legislature by general law may prescribe procedures for the
7 administration of residence homestead exemptions.

8 SECTION 2. Article VIII, Section 1-b(b), of the Texas
9 Constitution is amended to read as follows:

10 (b) The [~~From-and-after-January-17-1973-the~~] governing body
11 of any county, city, town, school district, or other political
12 subdivision of the State, other than a county education district,
13 may exempt by its own action not less than Three Thousand Dollars
14 (\$3,000) of the market value of residence homesteads of persons,
15 married or unmarried, including those living alone, who are under a
16 disability for purposes of payment of disability insurance benefits
17 under Federal Old-Age, Survivors, and Disability Insurance or its
18 successor or of married or unmarried persons sixty-five (65) years
19 of age or older, including those living alone, from all ad valorem
20 taxes thereafter levied by the political subdivision. As an
21 alternative, upon receipt of a petition signed by twenty percent
22 (20%) of the voters who voted in the last preceding election held
23 by the political subdivision, the governing body of the subdivision
24 shall call an election to determine by majority vote whether an
25 amount not less than Three Thousand Dollars (\$3,000) as provided in
26 the petition, of the market value of residence homesteads of
27 disabled persons or of persons sixty-five (65) years of age or over

1 shall be exempt from ad valorem taxes thereafter levied by the
2 political subdivision. In the manner provided by law, the voters
3 of a county education district at an election held for that purpose
4 may exempt an amount not less than Three Thousand Dollars (\$3,000),
5 as provided in the petition, of the market value of residence
6 homesteads of disabled persons or of persons sixty-five (65) years
7 of age or over from ad valorem taxes thereafter levied by the
8 county education district. An eligible disabled person who is
9 sixty-five (65) years of age or older may not receive both
10 exemptions from the same political subdivision in the same year but
11 may choose either if the subdivision has adopted both. Where any
12 ad valorem tax has theretofore been pledged for the payment of any
13 debt, the taxing officers of the political subdivision shall have
14 authority to continue to levy and collect the tax against the
15 homestead property at the same rate as the tax so pledged until the
16 debt is discharged, if the cessation of the levy would impair the
17 obligation of the contract by which the debt was created. An
18 exemption adopted under this subsection based on assessed value is
19 increased, effective January 1, 1979, to an amount that, when
20 converted to market value, provides the same reduction in taxes,
21 except that the market value exemption shall be rounded to the
22 nearest \$100.

23 SECTION 3. Article VIII, Section 1(e), of the Texas
24 Constitution is amended to read as follows:

25 (e) The governing body of a political subdivision, other
26 than a county education district, may provide for the taxation of
27 all property exempt under a law adopted under Subdivision (2) of

1 Subsection (d) of this section and not exempt from ad valorem
2 taxation by any other law. In the manner provided by law, the
3 voters of a county education district at an election held for that
4 purpose may provide for the taxation of all property exempt under a
5 law adopted under Subdivision (2) of Subsection (d) of this section
6 and not exempt from ad valorem taxation by any other law.

7 SECTION 4. Article VIII, of the Texas Constitution is amended
8 by adding Section 1-b-1 to read as follows:

9 Sec. 1-b-1. The references to a county education district in
10 Sections 1 and 1-b of this article neither validate nor
11 invalidate county education districts.

12 SECTION 5 This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held August 10, 1991.
14 The ballot shall be printed to provide for voting for or against
15 the proposition: "The constitutional amendment to allow the voters
16 of a county education district to adopt certain exemptions from the
17 district's ad valorem taxation for residence homesteads and to
18 provide for the taxation of certain tangible personal property."

CONFERENCE COMMITTEE REPORT
Side-By-Side

SENATE VERSION	HOUSE VERSION	CONFERENCE REPORT
<p>SECTION 1 Amends Article VIII, Section 1-b Texas Constitution as follows:</p> <p>(e) Specifically removes a county education district from the ad valorem tax exemption powers given the governing body of a political subdivision.</p> <p>(f) Requires the county education district to exempt from ad valorem taxation 20% of the market value of a residence homestead. Limits the exemption under this subsection to not less than \$5,000 unless the legislature prescribes other monetary restrictions on exemptions. A residence homestead owner may receive other exemptions by law. The legislature by law may set out administrative procedures for this subsection's provisions.</p> <p>SECTION 2 Sets the voter election date of November 5, 1991, and specifies ballot language.</p> <p>no similar provision</p>	<p>Section 1 (e) same with the addition of language allowing the voters of a county education district to hold an election for the purpose of exempting a percentage of the market value of a residence homestead.</p> <p>SECTION 5 Sets the voter election date of August 10, 1991, and specifies ballot language.</p> <p>SECTION 2 Amends Article VIII, Section 1-b(b), Texas Constitution stating that a county education district may not exempt homesteads for disabled or persons over 65.</p> <p>Provides for an election of the voters to require homestead exemptions for the disabled and over 65.</p>	<p>House Version</p> <p>House version</p> <p>House version</p>

CONFERENCE COMMITTEE REPORT
Side-By-Side

SENATE VERSION

HOUSE VERSION

CONFERENCE REPORT

no similar provision

Section 3 amends Article VIII, Section 1(e), Texas Constitution as follows:

(e) Specifically removes a county education district from the powers given the governing body of a political subdivision regarding the taxation of property exempt under Subdivision (2) of Subsection (d).

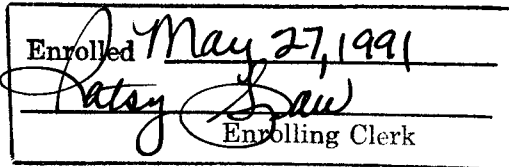
Allows for an election of a county education district to provide for this exemption.

no similar provision

SECTION 4 Amends Article VIII, Texas Constitution, by adding Sec 1-b-1 to provide that the references to a county education district in Sections 1 and 1-b do not validate county education districts.

House version

SECTION 4 Amends Article VIII, Texas Constitution by adding Sec 1-b-1 to read: references to a county education district in Sections 1 and 1-b neither validate nor invalidate county education districts.



S.J.R. No. 42

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment authorizing a county education
2 district by election to adopt certain residence homestead
3 exemptions and to provide for the taxation of certain tangible
4 personal property.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article VIII, Section 1-b(e), of the Texas
7 Constitution is amended to read as follows:

8 (e) The governing body of a political subdivision, other
9 than a county education district, may exempt from ad valorem
10 taxation a percentage of the market value of the residence
11 homestead of a married or unmarried adult, including one living
12 alone. In the manner provided by law, the voters of a county
13 education district at an election held for that purpose may exempt
14 from ad valorem taxation a percentage of the market value of the
15 residence homestead of a married or unmarried adult, including one
16 living alone. The percentage may not exceed [~~forty--percent--(40%)~~
17 ~~for-the-years-1982-through-1984, thirty-percent-(30%) for-the-years~~
18 ~~1985--through--1987,--and~~] twenty percent [~~(20%) in-1988-and-each~~
19 ~~subsequent-year~~]. However, the amount of an exemption authorized
20 pursuant to this subsection may not be less than Five Thousand
21 Dollars (\$5,000) unless the legislature by general law prescribes
22 other monetary restrictions on the amount of the exemption. An
23 eligible adult is entitled to receive other applicable exemptions
24 provided by law. Where ad valorem tax has previously been pledged

Rec'd
J
ee

S.J.R. No. 42

1 for the payment of debt, the governing body of a political
2 subdivision may continue to levy and collect the tax against the
3 value of the homesteads exempted under this subsection until the
4 debt is discharged if the cessation of the levy would impair the
5 obligation of the contract by which the debt was created. The
6 legislature by general law may prescribe procedures for the
7 administration of residence homestead exemptions.

8 SECTION 2. Article VIII, Section 1-b(b), of the Texas
9 Constitution is amended to read as follows:

10 (b) The [~~From-and-after-January-17-19737-the~~] governing body
11 of any county, city, town, school district, or other political
12 subdivision of the State, other than a county education district,
13 may exempt by its own action not less than Three Thousand Dollars
14 (\$3,000) of the market value of residence homesteads of persons,
15 married or unmarried, including those living alone, who are under a
16 disability for purposes of payment of disability insurance benefits
17 under Federal Old-Age, Survivors, and Disability Insurance or its
18 successor or of married or unmarried persons sixty-five (65) years
19 of age or older, including those living alone, from all ad valorem
20 taxes thereafter levied by the political subdivision. As an
21 alternative, upon receipt of a petition signed by twenty percent
22 (20%) of the voters who voted in the last preceding election held
23 by the political subdivision, the governing body of the subdivision
24 shall call an election to determine by majority vote whether an
25 amount not less than Three Thousand Dollars (\$3,000) as provided in

the petition, of the market value of residence homesteads of disabled persons or of persons sixty-five (65) years of age or over shall be exempt from ad valorem taxes thereafter levied by the political subdivision. In the manner provided by law, the voters of a county education district at an election held for that purpose may exempt an amount not less than Three Thousand Dollars (\$3,000), as provided in the petition, of the market value of residence homesteads of disabled persons or of persons sixty-five (65) years of age or over from ad valorem taxes thereafter levied by the county education district. An eligible disabled person who is sixty-five (65) years of age or older may not receive both exemptions from the same political subdivision in the same year but may choose either if the subdivision has adopted both. Where any ad valorem tax has theretofore been pledged for the payment of any debt, the taxing officers of the political subdivision shall have authority to continue to levy and collect the tax against the homestead property at the same rate as the tax so pledged until the debt is discharged, if the cessation of the levy would impair the obligation of the contract by which the debt was created. An exemption adopted under this subsection based on assessed value is increased, effective January 1, 1979, to an amount that, when converted to market value, provides the same reduction in taxes, except that the market value exemption shall be rounded to the nearest \$100.

SECTION 3. Article VIII, Section 1(e), of the Texas

1 Constitution is amended to read as follows:

2 (e) The governing body of a political subdivision, other
3 than a county education district, may provide for the taxation of
4 all property exempt under a law adopted under Subdivision (2) of
5 Subsection (d) of this section and not exempt from ad valorem
6 taxation by any other law. In the manner provided by law, the
7 voters of a county education district at an election held for that
8 purpose may provide for the taxation of all property exempt under a
9 law adopted under Subdivision (2) of Subsection (d) of this section
10 and not exempt from ad valorem taxation by any other law.

11 SECTION 4. Article VIII of the Texas Constitution is amended
12 by adding Section 1-b-1 to read as follows:

13 Sec. 1-b-1. The references to a county education district in
14 Sections 1 and 1-b of this article neither validate nor invalidate
15 county education districts.

16 SECTION 5. This proposed constitutional amendment shall be
17 submitted to the voters at an election to be held August 10, 1991.
18 The ballot shall be printed to provide for voting for or against
19 the proposition: "The constitutional amendment to allow the voters
20 of a county education district to adopt certain exemptions from the
21 district's ad valorem taxation for residence homesteads and to
22 provide for the taxation of certain tangible personal property."

S.J.R. No. 42

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 42 was adopted by the Senate on April 17, 1991, by the following vote: Yeas 29, Nays 0; May 25, 1991, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 1991, House granted request of the Senate; May 27, 1991, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 42 was adopted by the House, with amendments, on May 23, 1991, by the following vote: Yeas 126, Nays 18, one present not voting; May 26, 1991, House granted request of the Senate for appointment of Conference Committee; May 27, 1991, House adopted Conference Committee Report by the following vote: Yeas 135, Nays 6, one present not voting.

Chief Clerk of the House

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE

May 8, 1991

**TO: Honorable Ernestine Glossbrenner,
Chair
Committee on Public Education
House of Representatives
Austin, Texas**

**IN RE: House Committee Substitute for
Senate Joint Resolution No. 42,**

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Committee Substitute for Senate Joint Resolution No. 42 (proposing a constitutional amendment authorizing a county education district by election to adopt certain residence homestead exemptions and to provide for the taxation of certain tangible personal property) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would allow the voters of a county education district to grant additional ad valorem tax exemptions for homesteads -- including those owned by disabled and elderly persons -- and to tax certain tangible personal property. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP). The proposed amendment would be placed before the voters on August 10, 1991.

The resolution's provisions, as implemented by Senate Bill 351 and other enabling legislation, could have an impact on local tax revenue collectors depending on the outcome of local elections. These fiscal implications cannot be determined.

The cost of publication of the resolution to the State is \$60,000. No other cost to the State is anticipated.

Source: LBB Staff: JO, JWH, DF, JOB, PA

LEGISLATIVE BUDGET BOARD

EQUALIZED EDUCATION FUNDING IMPACT STATEMENT

May 8, 1991

**To: Honorable Ernestine Glossbrenner, Chair
Committee on Public Education**

**In Re: House Committee Substitute for
Senate Joint Resolution No. 42**

From: Jim Oliver, Director

In response to your request for an Equalized Education Funding Impact Statement on House Committee Substitute for Senate Joint Resolution No. 42 (proposing a constitutional amendment authorizing a county education district by election to adopt certain residence homestead exemptions and to provide for the taxation of certain tangible personal property), this office has determined the following:

The impact of this resolution on equalized funding requirements and policies affecting public education cannot be ascertained.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

May 7, 1991

TO: Honorable Ernestine Glossbrenner,
Chair
Committee on Public Education
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No. 42,
as engrossed
By: Green, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 42, as engrossed (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would provide an ad valorem tax exemption of 20 percent on residence homesteads for taxes levied by a county education district. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP).

The Texas Constitution currently allows all political subdivisions to grant a homestead exemption not to exceed 20 percent and no lower than \$5,000. The proposed amendment would require county education districts to provide a 20 percent exemption.

The increase in required homestead exemptions would have the effect of reducing local revenue collected for the county education districts and increasing state aid under tier one of the FSP. These fiscal implications cannot be accurately determined at this time.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, JOB, LC

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 11, 1991

**TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas**

**IN RE: Senate Joint Resolution No. 42
By: Green, et al.**

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 42 (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts) this office has determined the following:

The resolution proposes a constitutional amendment which, if approved by the voters, would provide an ad valorem tax exemption of 20 percent on residence homesteads for taxes levied by a county education district. The resolution anticipates enactment of Senate Bill No. 351, which would create county education districts for the purpose of levying a required minimum tax under the Foundation School Program (FSP).

The Texas Constitution currently allows all political subdivisions to grant a homestead exemption not to exceed 20 percent and no lower than \$5,000. The proposed amendment would require county education districts to provide a 20 percent exemption.

The increase in required homestead exemptions would have the effect of reducing local revenue collected for the county education districts and increasing state aid under tier one of the FSP. These fiscal implications cannot be accurately determined at this time.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, JOB, LC

LEGISLATIVE BUDGET BOARD

EQUALIZED EDUCATION FUNDING IMPACT STATEMENT

May 7, 1991

**To: Honorable Ernestine Glossbrenner, Chair
Committee on Public Education**

**In Re: Senate Joint Resolution No. 42
By: Green, et al**

From: Jim Oliver, Director

In response to your request for an Equalized Education Funding Impact Statement on Senate Joint Resolution No. 42 (proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts), this office has determined the following:

The impact of this resolution on equalized funding requirements and policies affecting public education cannot be ascertained.

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J.R.
 S.B. No. 42

 President of the Senate

 Speaker of the House

I hereby certify that ^{J.R.} S.B. No. 42 ^{was adopted by} passed the Senate on April 17, 1991, by the following vote: Yeas 29, Nays 0; May 25, 1991, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 1991, House granted request of the Senate; May 27, 1991, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

1 one present not voting

 Secretary of the Senate

I hereby certify that ^{J.R.} S.B. No. 42 ^{was adopted by} passed the House, with amendments, on May 23, 1991, by the following vote: Yeas 126, Nays 181; May 26, 1991, House granted request of the Senate for appointment of Conference Committee; May 27, 1991, House adopted Conference Committee Report by the following vote: Yeas 135, Nays 61.

1 one present not voting

 Chief Clerk of the House

Approved:

 Date

 Governor

S.J.R. No:

42

SENATE JOINT RESOLUTION

By

[Signature]

proposing a constitutional amendment to partially exempt residence homesteads from ad valorem taxation by county education districts.

3-25-91

Filed with the Secretary of the Senate

APR 2 1991

Read and referred to Committee on

FINANCE

APR 11 1991

Reported favorably

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

APR 17 1991

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

years, nays

APR 17 1991

Read second time, , and ordered engrossed by:

unanimous consent
a viva voce vote

years, nays

Caption ordered amended to conform to the body of the bill.

APR 17 1991

Senate and Constitutional 3 Day Rule suspended by a vote of 29 yeas, 0 nays.

APR 17 1991

Read third time, , and passed by: 29 yeas, 0 nays

[Signature: Betty King]

SECRETARY OF THE SENATE

OTHER ACTION:

April 17, 1991
April 18, 1991

Engrossed

Sent to House.

Engrossing Clerk

APR 18 1991

Received from the Senate

APR 29 1991

Read first time and referred to Committee on

Ways & Means

5-7-91

Reported favorably ^{as subs} amended, sent to Printer

1:15pm MAY 9 1991

MAY 9 1991

Printed and Distributed

5:36p

5-14-91

Sent to Committee on Calendars

10:54 AM

MAY 23 1991

Read Second time ^{as Subs.} amended and finally adopted

by Record Vote of 126 yeas, 18 nays 1 present not voting.

MAY 23 1991

Read third time (amended) and finally adopted

failed adoption by Record Vote of years, nays present not voting.

Caption ordered amended to conform to body of bill.

MAY 23 1991

Returned to Senate.

[Signature: Betty Mursey]

CHIEF CLERK OF THE HOUSE

Returned from House without amendment.

MAY 23 1991

Returned from House with 2 amendments.

Concurred in House amendments by a viva voce vote years, nays.

MAY 25 1991

Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

Senate conferees instructed.

MAY 25 1991

Senate conferees appointed: Green, Chairman; Whitman

Zappieri, Italey, and Parker

MAY 26 1991

House granted Senate request. House conferees appointed: Colbert, Chairman;

Bruseendorf, Runa, Blair, Glossbrenner

MAY 27 1991

Conference Committee Report read and filed with the Secretary of the Senate.

Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

MAY 27 1991

Conference Committee Report adopted on the part of the Senate by: _____

{ ~~a viva voce vote~~
31 yeas, 0 nays

OTHER ACTION:

Recommitted to Conference Committee

Conferees discharged.

Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays

91 MAY -9 PM 5:36

HOUSE OF REPRESENTATIVES

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